

YAKIMA COUNTY, WASHINGTON
January 1, 1993 Through December 31, 1993

Schedule Of Findings

1. Public Funds Were Misappropriated In The Sheriff's Department

Our audit of the financial records of the Yakima County Sheriff's Office revealed that at least \$10,720 in public funds was misappropriated by Ms. Julie Ann Stugelmayer, property room clerk. There were no federal funds involved in this case.

On May 5, 1994, officials of the Yakima County Sheriff's Office notified the Office of State Auditor of a misappropriation of funds from the property room safe. The loss was filed with the Yakima County Sheriff's Office under incident number 94-02769. During our current audit, we reviewed the results of the county's investigation of this matter and agree with their findings and conclusions. This investigation confirmed that \$10,720 in public funds was misappropriated from the Yakima County Sheriff's Office property room as described below.

Ms. Stugelmayer stole money from the property room safe from 12 different evidence packets and envelopes in cases involving cash seizures during criminal investigations. As the property room clerk during the period of this loss, Ms. Stugelmayer was responsible for safeguarding funds which were held for unsettled criminal investigations. These funds were secured in the property room safe of which Ms. Stugelmayer had access.

Ms. Stugelmayer was the property room clerk at the time of this loss. Her employment with the county was terminated when she confessed to the misappropriation of public funds on February 17, 1994. Ms. Stugelmayer pleaded guilty to first degree theft on June 21, 1994. She was sentenced to 45 days in home detention, and was ordered to pay \$10,720 in restitution.

RCW 9A.56.030 states:

Theft in the first degree,

(1) A person is guilty of theft in the first degree if he commits theft of:

(a) Property or services which exceed(s) one thousand five hundred dollars in value; or

(b) Property of any value taken from the person of another.

(2) Theft in the first degree is a class B felony.

RCW 9A.56.021 states in part:

Maximum sentences for crimes committed July 1, 1984, and after. (1) Felony. No person convicted of a classified felony shall be punished by confinement or fine exceeding the following:

(a) . . .

(b) For a class B felony, by confinement in a state correctional institution for a term of ten years, or by a fine in an amount fixed by the court of twenty thousand dollars, or by both such confinement and fine.

Poor controls over funds in the property room allowed this misappropriation to occur and not be detected in a timely manner. The inventory document for the property room safe had not been updated since 1992. Therefore, money in the safe could not be properly accounted for and controlled.

The sheriff's office has since taken a complete inventory of all funds in the property room and implemented the necessary procedures to keep the inventory record updated. As a result, no further recommendation is deemed appropriate at this time.

2. Accounts Receivable Control Total Should Be Established In The Clerk's Office

In our reports for 1992, 1991, 1990, 1989, and 1988, we recommended that control totals be established for all accounts receivable systems of the county. A control total is a necessary part of a receivable system to ensure its integrity.

The county clerk's computerized receivable accounting system is prescribed by the Washington State Office of Administrator for the Courts (OAC). The system does not have a control total feature currently available, but OAC indicates it is in the process of being developed. Estimated time for the completion of OAC's system enhancement is scheduled to be implemented October 1994.

Failure to maintain an accounts receivable control total results in a significantly greater risk that errors or irregularities could occur and not be detected in a timely manner.

We continue to recommend the county ensure control totals are established and maintained for all accounts receivable systems.

3. The County's Annual Financial Statements Should Be Filed On A Timely Basis

The county submitted its annual financial report to the Washington State Auditor's Office on July 29, 1994. The report was due May 30, 1994.

RCW 43.09.230 Division of Municipal Corporations) Annual Reports) Comparative Statistics states in part:

The state auditor shall require from every taxing district and other political subdivisions financial reports covering the full period of each fiscal year, in accordance with the forms and methods prescribed by the state auditor, which shall be uniform for all accounts of the same class.

Such reports shall be prepared, certified, and filed with the division within one hundred fifty days after the close of each fiscal year . . .

When financial reports are not filed on time, users of these reports are denied access to the county's financial information. Such users include:

- a. The taxpayers within the county.
- b. The State Legislature, which receives a copy of the annual volume of comparative statistics for all municipalities, published pursuant to RCW 43.09.230 by the Office of State Auditor.
- c. Federal and state grantor agencies.
- d. Bondholders, bond brokerage firms, and other persons interested in the county's financial affairs.
- e. County officials who need this information for effective planning and management of county resources.

Late reports result in increased audit costs. Additionally, because the United States Congress has required granting agencies to impose sanctions against those recipients of federal assistance who do not comply with federal audit requirements, future federal assistance could be threatened.

The county's management contends the report was untimely due to the implementation of a new computer system in July 1993. The transition put the county's staff far behind in their financial responsibilities.

We recommend the county take the necessary steps to submit their financial report to the Office of State Auditor within the required timeline.